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April 7, 1975

Native market, Nigeria

## Nigeria—A Growth Market

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**This week's cover:**

**Outdoor market at Ibadan is typical of native markets found in almost every major city in Nigeria. The majority of Nigerians buy their food daily at these markets or from street vendors. See articles beginning on pages 2 and 5.**

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# Nigeria

## Nigeria's Economic Boom Holds Promise for U. S. Farm Sales

CAPITALIZING on oil revenues, Nigeria is mounting a giant development effort, aimed at radically transforming the economy and improving the living standards of every one of its 80 million citizens. Nigeria's bulging coffers are also creating opportunities for potential investors and trading partners, including suppliers of agricultural products.

U.S. agricultural exports are already benefiting from Nigeria's new prosperity, although imported farm products traditionally have a small share of food consumption. In fiscal 1974 (July-June), Nigeria more than doubled its takings of U.S. agricultural products. U.S. farm exports to Nigeria jumped to $73.6 million from $28.7 million in fiscal 1973, spearheaded by higher valued U.S. wheat exports.

Nigeria's new importance as a U.S. farm market is likely to continue. Although an ambitious new $50-billion development plan for 1975-80 will allocate some $2.2 billion to agriculture, transforming the farm sector is likely to be a long, slow process.

Nigeria is now the world's sixth largest producer of crude oil—trailing only Venezuela and Canada as a U.S. supplier. A favorable trade balance of nearly $8 billion is forecast for 1974, despite a surge in imports and capital outflows for equity participation in oil ventures —some $150 million in first-half 1974 alone.

Nigeria's 1974-75 gross domestic product, in current terms, is projected at $22.6 billion—about a 9 percent increase over last year. This healthy increase is due, of course, to oil. Petroleum accounted for 92 percent of the value of the Nation's exports in the first 6 months of 1974.

The strong U.S. farm export showing in fiscal 1974 was partly a result of advances in prices rather than quantity, especially for wheat. Nigeria did, however, increase its purchases of other U.S. grains—corn, rice, and other cereals. And U.S. exports of cotton and peanuts —both to be used for seed purposes— jumped from zero in fiscal 1973 to $8.5 million in fiscal 1974.

Wheat heads the list of U.S. agricultural exports to Nigeria, which imports all of its wheat. Because of rising world wheat prices, the controlled price of bread increased substantially between 1973 and 1974, causing bread demand to slacken. Consequently, wheat imports in fiscal 1975 are likely to be off somewhat. Nevertheless, sales of U.S. cotton, tallow, tobacco, and rice are likely to gain in fiscal 1975, compared with the previous year.

Prosperity also returned to Nigeria's agricultural sector in 1974. Food crops in the north, ravaged by drought in 1973, recovered strongly. Both peanut and cotton crops are well above last season's levels, while the cocoa crop will be about the same as during 1973-74.

But Nigeria's agricultural exports declined in 1974 owing to the poor 1973 crops. Traditionally the largest exporter of peanut products in the world, Nigeria exported hardly any nuts in 1973-74. The country ran out of domestic cotton in the early fall of 1974 and had to resort to massive cotton imports to sustain its textile industry through the year. The volume of cocoa exports dropped somewhat, but favorable world market prices kept cocoa revenues at a high level.

U.S. imports of Nigerian farm products—mainly cocoa and cocoa products —were worth $37.3 million and $46.3 million in fiscal years 1973 and 1974, respectively.

Nigerians are well aware that oil is a depletable resource and that the agricultural sector will continue to be the mainstay of the economy, furnishing the bulk of employment and income. Also, agri-

culture will have to fill the country's increasing food and fiber needs, while continuing as an important foreign exchange earner.

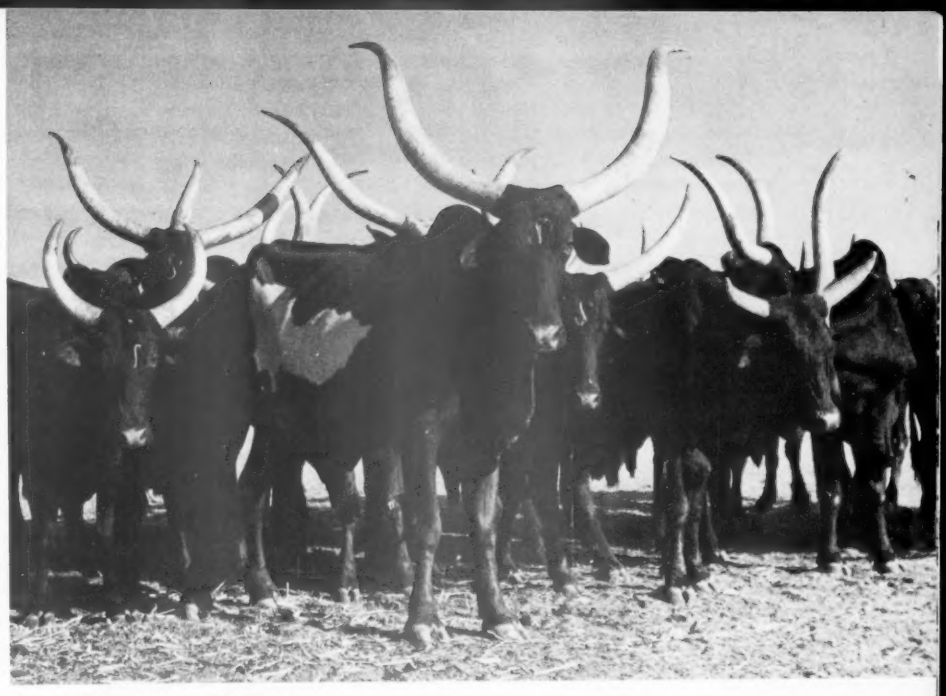
More than 80 percent of Nigerians live in rural areas and some 70 percent are employed in agriculture. In the past, agricultural programs were geared to export crops—peanuts, cotton, cocoa, oil palm, and rubber—since these were, essentially, the only source of foreign exchange. But in recent years, shortages of food crops have emerged, so that Government production programs now strongly emphasize food crops.

Nigeria's food crop production has long been on a subsistence basis. The average farm in Nigeria is estimated to be less than 3 acres. In the more densely populated areas of the south, it is less than 1 acre. Use of improved seed, fertilizers, and other modern technology is very limited, thus, average yields are low. Production changes from year to year are almost exclusively due to weather variations and are expected to continue so during the next several years.

BECAUSE OF THE crucial importance of agriculture to the economy, some $2.2 billion has been allocated for development of this sector during the third national development plan (1975-80). This is over six times the allocation of $348 million made under the second development plan (1970-80). The third plan proposes to establish 3.6 million acres of cereals and 1.5 million acres of root crops, such as cassava and yams.

Nigeria's stepped-up food production program will also provide many of the needed inputs and extension required for expansion. For tree crops, plans call for establishing 420,000 acres of oil palm, 290,000 acres of cocoa, and 135,000 of rubber. The planned target for fertilizer distribution is 960,000 tons, while a total of 1.4 million acres is planned for irrigation.

At present fertilizer use continues to be very low. Total fertilizer consumption in 1974 is estimated at under 20,000 nutrient tons—less than 2 pounds per cultivated acre. But a 100,000-ton single superphosphate plant being constructed in Kaduna by a Japanese firm should be completed around mid-1975. The plant will utilize phosphate rock from Togo. There have also been rumors that a urea plant will be constructed near the gas-flaring oil fields. A general



*Red Wadara cattle, top, in Nigeria's Bornu Province are crossed with Brahman and other breeds to improve them for beef production. Mud and plaited reed silos for sorghum storage in northern Nigeria, above. Packaging tobacco, left.*

availability of fertilizer could sharply increase Nigeria's crop production capacity and thus food supply.

The current situation for major crops follows:

**Cocoa.** The 1974-75 cocoa crop is estimated at 215,000 metric tons, down slightly from the initial estimate of 230,000. The main crop is placed at 195,000 tons and the light crop 20,000 tons. Despite favorable weather conditions, pod-setting from July onward was poor. Thus, main crop pickings in early 1975 will be small. Thanks in part to increased producer prices, cocoa smuggling to Dahomey is way down this season.

**Grain.** Nigeria enjoyed bumper grain crops throughout the country in 1974. This was a pleasant contrast to 1973, when the northern regions of the country experienced extreme drought.

Compared with last season, sorghum and millet crops could be up some 30 percent each, while corn and rice may rise 5 percent each. Production estimates for sorghum, millet, corn, and rice (paddy basis) are 3.5 million, 3 million, 1.4 million and 0.5 million metric tons, respectively.

*"In fiscal 1974, Nigeria more than doubled its takings of U.S. agricultural products (which) jumped to $73.6 million."*

Acreage planted to sorghum and millet, the major food crops of the north, rose significantly this year. Although this area was hard hit by drought last year, timing of the rains in 1974 was very good. Long-time observers report that sorghum and millet crops were among the best they have seen.

The expanded acreage/timely rain combination in 1974 also triggered an increase in corn and rice production. The percentage increase over 1973 was not as sharp as for the drought-reduced, northern-grown grains, however.

Wheat is grown in only very small quantities in Nigeria. The weather is cool enough to permit flowering only in the north and only during the dry season "winter" months. Thus, wheat has to be irrigated. Although a number of large-scale irrigation projects are planned in the north, it will be some years before they are completed.

Flour and bread prices are controlled. In view of high world market wheat prices, the price of a 16-ounce loaf of bread increased to 32 cents in March 1974. In December 1973, a comparable loaf sold for 19 cents.

Until 1973, demand for bread was increasing as fast or faster than for any other food item. Because of the sharp price increase, demand in 1974 is not holding at the previous year's level, and flour mills are operating at a low level of capacity.

**Oilseeds and products.** Production of peanuts, cottonseed, palm oil, palm kernels, sesame, and soybeans in 1974 all moved above the low levels obtained in 1973.

Nigeria is traditionally the world's largest exporter of peanuts and peanut products. In 1973, the peanut crop was a disaster, the marketed crop reached only some 40,000 metric tons. Earlier this season, it was thought an excellent crop was coming on, but the marketed crop has not reached the expected levels.

Despite an increased producer price for peanuts, prices in neighboring countries are still attractive enough to encourage some diversions. Also, crushing of nuts at the village level is more extensive than anticipated. The high domestic market price of peanut oil makes village crushing attractive, and the remaining peanut meal is consumed by the villagers. The 1974-75 marketed peanut crop is currently placed at only 275,000 metric tons unshelled—a less-than-average outturn.

Palm oil and palm kernel production continue relatively level. The 1974 production is estimated at 475,000 and 300,000 metric tons, respectively. The World Bank has recently made substantial loans to revitalize the oil palm industry, but it will be some years before the impact of the program is felt.

Cottonseed production will be well up, again due primarily to timely rains. Soybean, sesame, and cotton seed production in 1974-75 are estimated at 6,000, 6,000, and 104,000 metric tons, respectively.

**Sugar.** The lone sugar mill in Nigeria produced some 40,000 metric tons in 1974. Domestic consumption is around 170,000 tons, but as in most importing countries, sugar is currently scarce and expensive. Three new sugar projects and an expansion of the existing mill are in the planning stage, and are designed to begin production around 1977-78 and reach full production in 1983. If all plans materialize, Nigeria's sugar production could total 270,000 metric tons by 1984. Demand by 1984 is projected by the trade to exceed 300,000 tons. Thus, Nigeria will continue as a net sugar importer.

**Coffee.** Coffee is a relatively unimportant and neglected crop in Nigeria. Production in 1974-75 is estimated at 2,400 metric tons, compared with 2,275 metric tons in the previous season. There are no meaningful programs underway to assist or promote coffee production. Over 90 percent of the coffee is Robusta and is grown in Western State.

**Cotton.** The 1974-75 cotton crop is estimated at 250,000 bales (480 lb net) —well up from last season's outturn of 145,000 bales. Most of this increase is due to higher yields.

Although the producer price for cotton was substantially increased in April 1974, there was little increase in cotton acreage. After last year's food problems, farmers mainly expanded their food crop area. Also, the scope for increasing acreage is limited by the fact that nearly all farmers use hand tools and can only manage a few acres each.

**Tobacco.** In 1973-74, Nigeria commercially produced an estimated 4 million, 12 million, and 4.3 million pounds of flue-, light air-, and dark air-cured tobacco, respectively. The light air-cured is grown in the north along the low-lying areas near river beds. The other two types are grown in the south, primarily Western and Kwara States.

The 1974-75 marketed tobacco crop is estimated at 4.4 million, 11.7 million, and 5.1 million pounds of flue-, light air-, and dark air-cured, respectively. Nigeria's two tobacco companies contract with farmers to produce and provide the required inputs.

**Livestock.** A substantial number of Nigerian cattle were lost during the 1973-74 drought. Cattle numbers are also down radically in the Sahelian Zone, from which Nigeria normally obtains about one-third of its meat supplies. Last year, cattlemen held their cows off the market to build herds. Consequently, the price of cattle and meat has risen sharply in recent months.

—Based on a dispatch from
LYLE E. MOE,
*U.S. Agricultural Attaché, Lagos*

U. S. Food Show Planned

# Nigeria

## Nigeria Is Potential Growth Market for U. S. Processed Foods

By WILLIE BROOKS
*Export Trade Services*
*Foreign Agricultural Service*

NIGERIA IS AT the takeoff stage as a market for U.S. processed foods, provided that the economy maintains its forward momentum and if new Government programs succeed in distributing wealth to lower-income consumers.

With a population estimated at 80 million people—eighth largest in the world—Nigeria could easily become one of the largest markets in Africa for U.S. processed foods. To boost food availability and lower prices, Nigeria has recently cut tariffs on many agricultural products dramatically and removed other items from its prohibited list.

To take advantage of Nigeria's fast-growing market potential, some 45 U.S. companies and two FAS cooperators will display their products at a U.S. Food Exhibit in Lagos on May 26-29 in the Mainland Hotel. The event will be open only to the Nigerian food trade and feature only U.S.-made foods.

In large part, the food show reflects interest shown by Nigerian businessmen in U.S. foods during a survey of this market completed last summer. Conducted by FAS with the National Association of State Departments of Agriculture, the study also singled out foods having the highest sales potential in Nigeria. These included canned foods, dairy products, baby foods, hot sauces, snack foods, fresh fruits, vegetable cooking oils, tomato products, pet foods, corn flour, breakfast cereals, and food seasonings.

Exhibitors from nine U.S. States are participating in the food show, as well as two FAS cooperators—the Rice Council for Market Development, which will exhibit all types of U.S.-grown rice, and the Michigan Dry Bean Industry.

*Processed food products from all over the world are found on the shelves of this modern supermarket in Lagos, top. Newly liberalized tariffs are encouraging imports of processed foods. The majority of Nigerians buy their food daily from local markets or from street venders, such as these girls in Lagos, below.*

Participation deadline was December 2, but information concerning the show or copies of the market study are available from the Export Trade Services Division, Room 5935, FAS, USDA, Washington, D.C. 20250.

Demand for more and better foods—rising in concert with Nigeria's newly higher purchasing power—has proven a stimulus to U.S. agricultural exports there.

IN FISCAL 1974 (July-June), for example, imports of U.S. farm products exploded to a value of $73 million from the previous year's $28 million, spearheaded by a doubling of the value of wheat imports. While processed, consumer-ready foods were a relatively small part of the import total, changes in Nigeria's tariff structure are improving sales opportunities for these items.

Nigeria's tariffs and other barriers to agricultural imports were restructured on April 1, 1974, so that fresh and frozen meat and meat products (except corned beef), plus fresh and frozen fruits, were removed from the banned import list. Tariffs were substantially reduced on such items as baby foods, flour and meal, milk products, rice, tomato paste and puree, and vegetable juices.

Some food items still remain on the banned list, however, including bread, cigarettes, corned beef, eggs in shell (other than for hatching), live poultry, margarine, imitation lard, edible nuts, fresh or chilled vegetables, and vegetable roots.

Critical to the development of a vigorous market for processed foods in Nigeria is the expansion of consumer purchasing power—until recently a major constraint, since some 90 percent of the population fell into the lower income group. But Nigeria's Government is adamant that oil prosperity be used to improve the welfare and living standard of every citizen, and is enacting programs with this intent. High priority is given to creating jobs and increasing incomes for native Nigerians—both factors that will expand the amount of money spent on food.

An indigenization decree now requires that 42 percent of most retail and wholesale outlets—including food—be controlled by Nigerians by April 1, 1974. The decree is being implemented in stages, each with a deadline.

As a result, native Nigerians are replacing foreign nationals at all levels in most industries, with equivalent advances in salary. Many natives elevated into these positions have been trained overseas where they were exposed to Western eating habits. The extent to which they resume eating traditional foods when they return home is questionable, however.

Sizable salary increases have recently been granted to Nigerian Government employees, and parallel wage raises are occurring in the private sector. Under the new pay scale, many of the lower-income workers will receive pay increases in excess of 100 percent. This higher buying power—without a corresponding increase in the supply of goods and services—has naturally caused prices to increase and stimulated demand for imported foods.

Further, most food wholesalers and retailers feel that Nigeria has a large unmet need for processed imported foods, partly because of the previously high import duties and restrictions. Nigerians prefer imported products to their own, and U.S. foods are in high demand.

Nigeria's food distribution system runs the gamut from large, modern supermarkets to individual African street traders—largely women and children occupying temporary stands usually along the main streets of urban areas.

Nigeria has 12 major supermarket chains and nine large wholesalers. Although called supermarkets, most of these stores have fewer than 400-600 square feet of space and are self-service outlets. One estimate indicated that less than a fourth of 1 percent of food sold in Nigeria moves through supermarkets. These stores cater primarily to the foreign sector and to a lesser degree to native Nigerians.

The largest distributors of food are big, outdoor native markets located in almost every major city.

IN LINE WITH their philosophy of living day-to-day, most Nigerians buy their food needs daily at these native markets or from street vendors. In Nigerian homes, refrigerators are uncommon, ovens scarce, and storage space for food limited. Therefore, products sold in these markets tend to be rather compact, light, nonperishable, and priced so as to be affordable by most Nigerians.

Traditionally, Nigerian diets have centered around such staple foods as cassava and yams. Since these are relatively low in protein, attempts are being made to supplement their food value by mixing them with high protein products—soybeans and peanuts. Initially, these products have had limited success, although a dried fish, imported from Norway, is becoming widely used.

The nonnative population of Nigeria is very small—less than 0.2 percent of the total—but incomes are generally much higher than those of the natives. Of the nonnative population, about half is from other African countries and the remainder from the United Kingdom, France, and the United States. A recent study predicts a birth rate of 6.25 percent annually, which, when compared with projected food supply, suggests that an acute food shortage could develop in the near future, if food imports are not greatly increased.

The Nigerian market for institutional foods is limited, since the volume of food sold through restaurants and hotel facilities is still very small. The volume should expand with the increase in tourists and businessmen visiting the country, as well as the growing number of affluent Nigerians eating in restaurants. At present, about 90 percent or more of all processed foods moves in retail channels, since institutional feeding in hospitals, schools, and other facilities consists largely of the native staples of cassava, yams, and fresh fruits.

U.S. firms exporting food or other products to Nigeria ordinarily use one of three means of distribution. These include employing the services of a local agent or distributor, selling through established wholesalers or dealer-retailers, or establishing a branch or subsidiary of the firm.

Currently, the majority of imported products move through the distribution channels of expatriate companies. A growing number of Nigerian firms, many of which seem to prefer U.S. products, are coming into this field. But some of the smaller importers are under-capitalized, depending largely on credit from overseas suppliers, so that payment defaults have reportedly been numerous.

For a new product in the Nigerian market, a comprehensive marketing plan is essential. Selection of a local agent is the most important element in the plan and can make the difference between success and failure. Profit margins on food items at the retail level vary, usually between 20-40 percent, averaging

*Continued on page 13*

# World's Milk Output Up in 1974, Dairy Product Trade Strong

The world's output of fluid milk rose about 1.5 percent to 349 million metric tons last year, despite earlier expectations that production would be somewhat higher. For 1975, milk production is expected to continue its long-term rise of between 1 and 2 percent.

Global trade in dairy products continued brisk in 1974, although trade is likely to be off somewhat in 1975, causing surpluses to accumulate.

U.S. milk production edged up slightly last year, following a decline of 3.5 percent in 1973. At a total 52.35 million tons, U.S. output was fractionally higher than the 52.34 million produced in 1973. Average per-cow yields also recovered in 1974, rising about 1.5 percent over 1973's, but still below the long-term uptrend. Milk cow numbers continued to decline, but the falloff slackened to only about 2 percent.

Early estimates for 1975 place U.S. milk output at 52.4 million tons, again just slightly above last year's. If 1975 feed crop prospects continue to improve and prices moderate, the cost-price squeeze that has reduced dairy profits could abate considerably.

Collectively, European Community dairy farmers boosted their milk output by less than 1 percent last year to a total 96.9 million tons. Here too, high feed and input costs led farmers to reduce cow numbers, while per-cow output recovered only slightly.

Milk production trends differed markedly among the various Member States, however. In the United Kingdom, for example, rising feed concentrate costs have forced many farmers to drop out of dairying entirely. As a result, deliveries to dairies dropped nearly 3 percent in 1974, while milk output declined by an estimated 4 percent.

Elsewhere in Western Europe, milk output continued to expand—gaining by between 1 and 3 percent.

Milk producers in the Soviet Union and Eastern Europe are largely insulated from the inflationary pressures affecting Western economies, so that the uptrend in milk production continued in 1974. Soviet milk output reportedly advanced by about 6 percent last year, compared with 1973, from a somewhat larger cow herd than the previous year.

New Zealand's 1974-75 milk production is now expected to be about the same as in the previous dairy marketing year—about 5.6 million tons. A very wet spring and slow pasture and herd recovery are the main factors responsible for the unchanged output. Australia's milk production also declined in 1973-74 by about 8 percent. A recovery of 4 percent from this level is expected in 1974-75 to about 6.89 million tons.

World trade in dairy products continued at the high 1973 levels during 1974, but export prospects are considerably less favorable this year—raising the specter of surpluses in some areas. Output in major exporting countries such as Australia and New Zealand should continue to improve, whereas demand in major markets could slacken.

In the United States, milk production is currently exceeding demand, and USDA has been buying dairy products under its support price program since mid-May 1974.

Even if EC milk production remains stagnant—highly unlikely in view of current and prospective support price increases—the Community will still face growing dairy product surpluses that will be very difficult to export commercially. Thus, EC intervention buying will become more significant in 1975.

On January 1, 1975, EC dairy stocks were estimated as follows: Cheese 226,000 metric tons, butter 209,000 tons, and nonfat dry milk 423,000 tons.

In the United States, support price purchases so far this dairy marketing year (April 1, 1974-February 27, 1975) have included about 40,000 metric tons of cheese, 27,000 tons of butter, and nearly 153,000 tons of nonfat dry milk.

Dairy stocks in Oceania on January 1, 1975, consisted of about 30,000 metric tons of cheese, nearly 75,000 tons of butter, and 163,000 of nonfat dry.

—By ROLLAND E. ANDERSON, JR., *FAS*

# *Developing Areas To Get Duty-Free Status*

To help speed development in many of the world's poorer areas, the United States will encourage their exports by allowing selected commodities from certain nations to enter this country free of duty for up to 10 years.

On March 24, President Ford signed an executive order designating 89 countries and 43 dependent territories as beneficiary developing countries to be given the preferential duty-free treatment. He did this under the generalized prefernce provisions of the Trade Act of 1974. In addition, the President indicated another 24 countries that might be designated in the future, if certain determinations are made.

The President also sent to the International Trade Commission (ITC) a list of commodities being considered for preferences when imported from these countries and territories.

The list of commodities, plus the designated countries and those under consideration, were published in the *Federal Register* on March 26, 1975.

For each item on the list, the Commission will examine the probable economic effect that a preference would have on U.S. industries producing like or directly competitive commodities, as well as on consumers. The Commission's report, to go to the President within the next 6 months, will help him to determine which items on the list to designate for preferences.

The Commission's examination will include public hearings. Other public hearings will be conducted by an interagency organization designated by the President's Special Trade Representative. A schedule of the ITC and the interagency hearings will be published in *Foreign Agriculture*.

The generalized preference program will apply, within certain limits, to imports of a broad range of manufactures and semimanufactures and of selected agricultural and primary industrial products from developing countries.

The purpose of the preferences is to stimulate economic development and improve U.S. economic relationships with recipient countries. Tariff preferences will provide these countries with opportunities to export and encourage them to shift to more broadly based industrial growth, rather than relying on production and export of raw agricultural and primary industrial products.

—By ROBERT G. HARPER, FAS

# U.K. Oilseed and Meal Imports Respond to Drop in Meal Use

By ROGER F. PUTERBAUGH
*Assistant U.S. Agricultural Attaché*
*London*

BRITISH IMPORTS of soybeans and soybean meal rose in 1974, balancing off a reduction in imports of other oilseeds and meals. The United Kingdom reduced its crushings of rape, cotton, and sunflowerseeds as consumers reduced their use of margarine and the compound feed industry lowered its use of meals from those seeds.

Total U.K. oilseed imports (including copra and palm kernels) during 1974—at 1,064,086 tons[1]—were about 5 percent lower than those of the previous year, but oilseed meal imports were down 26.4 percent from the previous year's level to 635,300 tons.

Of the 1974 oilseed import total, soybeans made up 790,900 tons—3 percent more than the 767,000 tons in 1973—while U.K. purchases of soybean meal were up 38 percent to 285,600 tons.

(The greater rate of increase in imports of soybean meal probably reflects a 12.5 percent production decline in margarine output in the first 10 months of 1974 to 246,300 tons; butter intake—stimulated by a consumer subsidy—rose by 10 percent.)

Balancing these increases in soybean and soybean meal imports, however, were decreases in imports of other important oilseeds and oilseed meals, ranging from 30 percent for rapeseed, 22.2 percent for linseed, 62.5 percent for sunflower meal, 40.4 percent for rapeseed meal, and 62 percent for cottonseed meal. Only palm kernel imports rose—by a significant 41.5 percent—although copra imports were off by 21 percent.

The United States, with direct shipments to the United Kingdom totaling 248,300 tons in 1974, was the largest direct supplier of U.K. soybean imports. It was the third largest direct source of soybean meal, with shipments of the latter totaling 60,000 tons. Brazil followed the United States as the second largest direct supplier of soybeans. Canada was next—shipping mostly beans of U.S. origin. In the case of soybean meal, Canada held No. 1 spot in direct shipments.

Transshipments of soybeans (337,200 tons) and soybean meal (87,400 tons) from the Netherlands were, of course, larger than shipments by any individual country. But since the Netherlands totals undoubtedly included U.S. soybeans and soybean meal shipped indirectly to the United Kingdom, U.S. totals would change if the transshipments could be broken down by country of origin. But by the same token, shipments of soybeans and soybean meal from Canada and Brazil might be affected similarly. Changes in the Canadian total would merely reflect larger shipments of U.S. soybeans and meal crushed from U.S. soybeans in Canada.

Direct soybean shipments from the United States to the United Kingdom were considerably smaller in both the January-June and the July-December periods of 1974, compared with these periods of the previous year. In January-June 1973, shipments totaled 236,300 tons, while in the July-December period they were 101,400 tons. In the two periods of 1974, they were 179,800 and 68,500 tons, respectively.

Although smaller than the volume shipped in 1973, the 248,300 tons of U.S. soybeans imported by the United Kingdom in 1974 were still sizable and were 105,000 tons greater than U.K. soybean imports from Brazil.

But Brazilian soybeans are a source of strong competition for U.S. soybeans

[1] **Volumes of all oilseed and meals are in long tons, except that fishmeal and meat meal are in metric tons.**

U.K. IMPORTS OF OILSEEDS AND MEALS

| Types and sources | January-June | | July-December | | January-December | |
|---|---|---|---|---|---|---|
| | 1973 | 1974 | 1973 | 1974 | 1973 | 1974 |
| | *Long tons* | *Long tons* | *Long tons* | *Long tons* | *Long tons* | *Long tons* |
| Soybeans: | | | | | | |
| U.S. | 236,298 | 179,801 | 101,401 | 68,462 | 337,699 | 248,263 |
| Netherlands | 132,556 | 196,396 | 235,997 | 140,803 | 368,553 | 337,199 |
| Canada | 4,666 | 27,117 | 16,218 | 26,070 | 20,884 | 53,187 |
| Brazil | 10,226 | 561 | 12,591 | 143,011 | 22,817 | 143,572 |
| Others | 17,126 | 5,505 | 13 | 3,150 | 17,139 | 8,655 |
| Total | 400,872 | 409,380 | 366,220 | 381,496 | 767,092 | 790,876 |
| Soybean Meal: | | | | | | |
| U.S. | 24,600 | 27,128 | 18,525 | 32,752 | 43,125 | 59,880 |
| Netherlands | 15,405 | 49,794 | 32,385 | 37,606 | 47,790 | 87,400 |
| Canada | 54,737 | 29,995 | 30,588 | 69,905 | 85,325 | 99,900 |
| Others | 12,654 | 16,532 | 17,645 | 21,868 | 30,299 | 38,400 |
| Total | 107,396 | 123,449 | 99,143 | 162,131 | 206,539 | 285,580 |
| Other oilseeds: | | | | | | |
| Copra | 19,479 | 13,628 | 18,376 | 16,027 | 37,855 | 29,655 |
| Cottonseed | — | — | — | — | — | — |
| Palm kernels | 13,300 | 19,186 | 21,024 | 29,449 | 34,324 | 48,635 |
| Linseed | 31,323 | 24,606 | 27,155 | 20,847 | 58,478 | 45,453 |
| Rapeseed | 54,116 | 55,694 | 39,016 | 9,375 | 93,132 | 65,069 |
| Other | 34,977 | 11,591 | 94,453 | 72,807 | 129,430 | 84,398 |
| Total | 153,195 | 124,705 | 200,024 | 148,525 | 353,219 | 273,210 |
| Other protein meals: | | | | | | |
| Cottonseed meal | 87,123 | 34,212 | 90,536 | 33,233 | 177,659 | 67,445 |
| Peanut meal | 157,927 | 76,193 | 158,283 | 82,240 | 316,210 | 158,433 |
| Rapeseed meal | 45,856 | 18,491 | 43,851 | 34,887 | 89,707 | 53,378 |
| Sunflowerseed meal | 12,437 | 3,474 | 16,398 | 7,335 | 28,835 | 10,809 |
| Other Oilseed meal | 17,123 | 36,001 | 27,944 | 23,661 | 45,067 | 59,662 |
| Total | 320,446 | 168,371 | 337,012 | 181,356 | 657,478 | 349,727 |
| | *Metric tons* | *Metric tons* | *Metric tons* | *Metric tons* | *Metric tons* | *Metric tons* |
| Fishmeal | 142,081 | 75,431 | 119,858 | 122,402 | 261,939 | 197,833 |
| Meat meal | 13,797 | 14,034 | 13,636 | 11,475 | 27,433 | 25,509 |

and U.K. imports from Brazil jumped phenomenally between 1973 and 1974. In 1973 they amounted to only 22,800 tons, but soared to 143,600 tons in 1974.

Transshipments of soybeans via the Netherlands in the first 6 months of 1974 were up 48 percent from a year earlier to 196,400 tons, but in July-December they fell sharply to only 140,800 tons, compared with 236,000 tons in the last half of 1973. Total Dutch soybean shipments during 1974 were 337,200 tons, down 9 percent from the 368,500 tons in 1973.

Total U.K. imports of soybean meal during the first 6 months of 1974—at 123,400 tons—were up from the same period of 1973 by just 15 percent. But in the next 6-month period soybean imports were about 62 percent higher than those of the previous year—from 100,000 tons in July-December 1973 to 162,100 tons in the same period a year later.

Soybean meal imports from all major supplying countries were considerably larger in the last half of 1974 than in the same period of 1973, and included a nearly 75 percent increase in direct shipments from the United States from 18,500 tons to 32,700 tons. Imports from Canada were up about 40,000 tons. Transshipments from the Netherlands were up 15 percent to 37,600 tons.

During 1974, direct soybean meal imports from the United States—at 59,900 tons—were up from a year earlier by 39.5 percent; imports from the Netherlands were over 80 percent larger than a year earlier at 87,400 tons, while there was an 18 percent change in the total from Canada, which increased to 100,000 tons. No soybean meal imports were made from Brazil.

THE DRASTIC reductions in purchases of oilseeds and meals (other than soybeans and soybean meal) dropped imports of linseed from 58,500 tons in 1973 to 45,400 in 1974, those of rapeseed from 93,100 to 65,100, cottonseed meal from 177,700 to 67,400, peanut meal from 316,200 to 158,400, rapeseed meal from 89,700 to 53,400, and sunflower meal from 28,800 to 10,800. Similar decreases were logged in the imports of other oilseeds.

There was also a drop of nearly 25 percent in imports of fishmeal, which were down from 261,900 tons in 1973 to only 197,800 tons in 1974.

Imports of meat meal were down 7 percent in 1974 to 25,500 tons. In 1973 they were 27,400 tons.

U.K. soybean meal imports would probably have been larger in 1974 had it not been for a 10 percent drop in domestic compound feed output in January-June. Relatively high at 5.2 million tons, feed production was still lower than the record January-June 1973 level, that was in turn 9 percent higher than the output for the same months of 1972. But although the 1974 level was lower than that of 1973, output for 1972 and 1974 were much the same.

THE DECLINE in compound feed production in the first half of 1974 was due to deteriorating profitability in the U.K. livestock sector at a time of rising input costs, falling livestock prices, and high interest rates.

In July-November 1974, however, compound feed production was down only 6 perecnt from the same months of 1973, owing to a 1.5 percent recovery from a year earlier in production of cattle and calf feed. But poultry feed was down by 10.5 percent and swine feed by 9.5 percent. Much the same conditions are expected to prevail during the first half of 1975.

The 1974 hay crop—at 7.75 million tons—is said to be about 14 percent smaller than that of the previous year and hay stocks were only about 162,000 tons in June 1974, down from 1.07 million tons a year earlier. Since the beginning of December, however, the winter has been extremely moderate and cattle and sheep have remained on pasture, thus reducing the amount of fodder required. At the same time, the use of grain for feed is now estimated to reach 12.5 million tons in 1974-75, about the same as a year earlier.

Wheat feeding to livestock and poultry is expect to rise a million tons to about 3.6 million, but will be partly offset by a drop of 600,000 tons in the amount of corn used for feed. Total corn consumption for this purpose is expected to be about 1 million tons.

Among various factors affecting feed purchases was an 8-pence-per-Imperial gallon increase in the U.K. milk price granted by the EC Council of Ministers meeting at Brussels in September 1974. This has improved prospects for the U.K., dairy industry somewhat and could bring an increase in future feed purchases. Further, there was a marked improvement in the market price of fat pigs in recent weeks. But there was no important improvement toward the end of 1974 in the poultry and beef sectors, although the price of eggs rose a little in November, partly through normal seasonal factors and partly because of large-scale cull of mature hens in the summer of 1974.

But, if conditions do improve in the beef sector—as many believe they will—cattle producers will probably buy more compound feeds. Furthermore, the shortage of hay, silage, and other fodder crops may also make necessary larger purchases of such feeds than normal. And this increased demand might bring a bigger than usual use of soybean meal as a component of these feeds.

Already it is generally believed by the trade that there was a significant increase in the soybean meal component of U.S. compound feeds toward the end of 1974. This could give added impetus to higher imports of soybean meal, especially if these prices remain competitive with other meals.

## U.K. TOBACCO USE DOWN

Use of tobacco products in the United Kingdom fell marginally in 1974, except for cigars, which rose in numbers but fell slightly in weight. The reductions were largely due to health concerns and recent increases in the duty on imports of leaf tobacco and tobacco products.

Total tobacco consumption of all products amounted to 258.5 million pounds (manufactured weight), 3.8 million pounds below that of 1973, when tobacco consumption had risen by 13.2 million pounds over the previous year.

For the first time since 1971, the number of cigarettes consumed declined, with the total down by 400 million pieces to 137 billion. All of the reduction was in usage of plain, untipped brands, which dropped by 2.05 billion pieces to 21.2 billion, while the unmanufactured weight fell by 4.5 million pounds to 42.1 million.

Consumption of filter-tipped cigarettes was up by 1.65 billion pieces to 115.7 billion, but in terms of tobacco weight, filter brands rose by only 1.2 million pounds to 183.5 million.

Pipe tobacco consumption fell by 400,000 pounds to 11.9 million pounds. Cigar consumption rose by 55 million pieces to 1.6 billion, but fell by 100,000 pounds.

# Australian Hop Growers Seek New Markets as Yields Zoom

By FRED M. LEGE III
*Former U.S. Agricultural Attaché*
*Canberra*

AUSTRALIA'S BEER production and consumption are mounting faster than its population, but the brewing industry's use of hops is falling. Higher production of Pride of Ringwood—a hop variety now constituting 95 percent of Australia's hop vines whose high alpha acid content makes it possible to use less hops—has created a surplus and Australian growers are now seeking new foreign markets to absorb the extra output.

Australia's beer production hit a record high of more than 1.83 million liters[1] in 1973, 8 percent greater than that of 1972 and 11 percent over 1971's. Hops utilization also dropped 8 percent in 1973, compared with that of 1972 because of such factors as greater efficiency in the process used to extract resins from natural hops for beer manufacture and a new patented system for converting these resins into hops extract. Lighter hopping of beer reduced hops usage even more. Compared with 1971 usage, the 1973 hops consumption was 21 percent lower.

Australia's total hops production in 1973 was 4.71 million pounds, about 15 percent greater than the 4.07 million pounds of a year earlier. (Production and yield figures are on a dry-weight basis.)

(If unofficial data from one of Australia's large brewing firms are accurate, the 1974 hops harvest is 6.1 million pounds, nearly 29 percent higher than the 1973 figure. Victoria's area is set at 1,082 acres and Tasmania's at 1,657 acres.)

Most of Australia's hops are produced in two States: Tasmania and Victoria.

Tasmania had the second highest yield in its history in 1973, reaching 2,101 pounds per acre. Total production for the State was up 25 percent over 1972's and 34 percent higher than 1971's. The State total was 3.2 million pounds, with the Pride of Ringwood variety accounting for 94 percent of the Tasmanian total.

Much of Tasmania's hops are grown in a relatively new producing area at Scottsdale, a fully integrated project that consists of 700 acres of growing land, drying kilns, and a research garden.

Information from Victoria is less detailed, but indicates that overall production in the State was down by 7,000 pounds in 1973 to 1.5 million pounds. Average yield was only 1,346 pounds per acre. One of the factors in Victoria's lower output is that—despite about 98 percent of its plantings being in the Pride of Ringwood variety—a large portion of the vines are young and have not yet reached maximum production.

The Pride of Ringwood hop variety yields from 9-11 percent alpha acid, with some yields going as high as 13 percent. As a result, producers can guarantee a minimum average acid content of 10 percent, making it attractive to the brewing industry.

However, Australia's almost total dependence on one hop variety increases the danger that the entire industry could be wiped out by a massive attack of one type of insect or disease. Although at present the only pest that attacks this hop variety is the Red Spot spider—and it is easy to control—research is being carried out to develop other disease- and insect-resistant hop varieties to supplement the Pride of Ringwood.

Australia's exports of hops showed a spectacular jump of 86 percent in 1973 to a total of 1.73 million pounds, compared with 930,300 pounds in 1972. At the present time, some 40 to 50 percent of the total Australian output of hops is being exported, the result of the high yield of the Pride of Ringwood variety.

Most of these exports are in the form of baled hop cones, but an experiment is underway to pelletize the cones, thereby saving on domestic and off-shore shipping costs. So far, a trial shipment of 2 tons of pelletized hops has been sent to the mainland and a further 100 are to be pelletized after the 1974 harvest is completed.

*David Watson, managing director of the Scottsdale Hop Cooperative, examines Pride of Ringwood hop cones. Production of this high-yielding variety has increased Australia's output and caused it to seek new markets.*

Aside from the total volume of hops exports, little other export information is available. The Bureau of Census and Statistics does not release export data on hops.

Although Australia is a major hops exporter, it still imports relatively small amounts for blending with domestic varieties for beer manufacture.

Imports of hop cones and lupulin went from 44,312 pounds in 1972 to 80,858 pounds in 1973. The 1973 imports came about equally from New Zealand and Yugoslavia. The United Kingdom and the Federal Republic of Germany, Australia's traditional hops suppliers, provided such small volumes that they were thrown into the "other country" import category.

Data on imports of hop extracts are given only by value, and these show a 78 percent decline in 1973, compared with those of 1972, to US$4,298.

One of Australia's largest breweries has the worldwide patent on extraction and manufacture of hop extracts, and total utilization figures are a closely guarded secret.

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**Mr. Lege is now with Foreign Market Development, Livestock and Products, FAS.**

**[1] One liter=1.057 quarts.**

*Livestock goals scaled down*

# Soviet Farm Plan for 1975 Calls for 11 Percent Rise

By DAVID M. SCHOONOVER
*Foreign Demand and Competition Division*
*Economic Research Service*

SOVIET AGRICULTURAL plans for 1975 call for an ambitious, but not unattainable, rise in output for most crops and livestock products, with production value targeted at $146.3 billion[1]—up 11 percent from the 1974 level and 7 percent over 1973's record. Details of the 1975 plan were released in an article by N. Gusev, Deputy Chairman of the USSR State Planning Committee in the February issue of *Ekonomika Selskovo Khozyaystva.*

The 1975 grain output target—215.7 million tons—is based on an area of 321 million acres, compared with 314 million in 1974, and yields averaging 0.67 metric ton per acre. At present, USDA's preliminary projection of Soviet grain output in 1975 is 210 million tons.

For cotton, plans call for an amount below the excellent crop produced in 1974. The 1975 plan level, however, is 5 percent higher than last year's plan. Since cotton production consistently exceeds the planned level by 10-15 percent, 1975's actual output could approximate the record 1974 level.

Cotton area may be cut back in current rotations to help control cotton wilt, facilitating expansion of alfalfa and forage crops. These area declines, however, may be offset by newly irrigated lands brought into cotton farming this year.

The 1975 goals for most crops are ambitious, although not out of the question. Even if the new 1975 plans are attained, however, levels of output of several major crops—such as sugarbeets, sunflowerseeds, potatoes, and vegetables—are expected to fall short of the average output goals set forth in the original 5-year plan.

The new livestock production goals, except those for eggs, have been revised downward from the original 5-year plan targets. Most of the revised plans seem attainable, however, if pasture and crop conditions are at least average in 1975. The reduced goals seem to represent more realistic expectations from current livestock herd levels and feed supplies, as opposed to an intentional pullback from emphasis on the livestock program. The livestock feed supply per animal unit on State and collective farms during 1974-75, for example, is down to 1.16 tons, compared with 1.27 tons during 1973-74.

As a result of plan changes in the livestock sector, consumption goals also have been altered. According to the 1975 plan, per capita meat consumption now is revised down to 123 pounds, compared with 130 pounds targeted in the 5-year plan. Milk consumption is planned at 705 pounds per person versus 750 pounds originally. Planned egg consumption, however, has been increased from 192 eggs to 207. Consumption of these products in 1974 was as follows: Meat, 121 pounds; milk, 688 pounds; and eggs, 205 eggs.

The vegetable oil consumption goal for 1975 has also been reduced from 20 pounds per person to 18. Fruit consumption has been scaled down to 101 pounds from 110. Other 1975 consumption plans generally are unchanged from previously announced targets.

Agricultural investment plans for 1975 are consistent with original 5-year plan targets. Planned Government investments of $29 billion are 12 percent higher than in 1974 and include $25 billion for production-oriented objectives. This $25 billion includes almost $8 billion for irrigation and land improvement and $12 billion for construction on State farms. New projects planned for 1975 include irrigating 2.4 million acres not now under irrigation and draining 2.5 million acres. In addition to Government investments in agriculture, more than $14 billion is slated to be invested by collective farms.

The plan for fertilizer deliveries (including feed phosphates) to agriculture in 1975 is about 75 million tons (standard units gross weight), compared with 66 million tons in 1974. The largest share is allocated to feed crops—grains, 33 million tons, and forage crops, 19 million tons. Scheduled pesticide delivery is 434,600 tons.

Mixed feed output in 1975 is planned at 37.4 million tons—up from 34.4 mil-

*Continued on page 13*

USSR: FARM PRODUCT GOALS FOR MAJOR CROPS AND LIVESTOCK PRODUCTS, 1975 AND 1971-75 AVERAGE, COMPARED WITH 1974 ACTUAL

| Products | 1974 actual[1] | 1975 | | 1971-75 average | |
|---|---|---|---|---|---|
| | | Original goal | Revised goal | Original goal | Expected fulfillment[2] |
| | *Mil. metric tons* | *Mil. metric tons* | *Mil. metric tons* | *Mil. metric tons* | *Mil. metric tons* |
| Grain | 195.6 | 214.0 | 215.7 | 195.0 | 196.6 |
| Cotton, seed | 8.4 | 7.2 | 7.7 | 6.8 | 7.6 |
| Sugarbeets | 76.4 | 92.4 | 94.0 | 87.4 | 80.7 |
| Sunflowerseed | 6.8 | 7.4 | 7.4 | 7.0 | 6.5 |
| Potatoes | 80.7 | 111.2 | 109.8 | 105.7 | 93.8 |
| Vegetables | 23.1 | 27.2 | 27.4 | 24.7 | 23.4 |
| Meat, slaughter weight | 14.5 | 16.0 | 15.3 | 14.3 | 14.0 |
| Milk | 91.8 | 100.2 | 94.8 | 92.3 | 88.3 |
| | *Bil. eggs* | *Bil. eggs* | *Bil. eggs* | *Bil. eggs* | *Bil. eggs* |
| Eggs | 55.0 | 52.7 | 55.8 | 46.7 | 51.0 |
| | *1,000 tons* | *1,000 tons* | *1,000 tons* | *1,000 tons* | *1,000 tons* |
| Wool | 461.0 | 500.0 | 472.0 | 464.0 | 443.0 |

[1] Some preliminary data revised to conform to 1974 annual plan fulfillment report data.
[2] Assumes attainment of revised 1975 goal. Source: *Ekonomika Selskovo Khozyaystva*, No. 2, 1975, p. 5.

**[1] Converted at the rate of 1 ruble= US$1.40. When traded in West European exchanges, however, the ruble is discounted considerably.**

# France's 1974 Deciduous Fruit Crops Cut; Canned Output Large

*Top, picking cherries in France's Yonne Department.*

FRANCE CANNED a large 1974 fruits-in-syrup pack, only slightly below the record levels of 1971 and 1973. However, the total 1974 deciduous fruit harvest was smaller than the previous year's largely because of frosts in May of last year.

Current market prices of most canned fruits are higher than last season's because of slightly smaller supplies, and higher raw production and processing costs. As a result, 1975 exports and domestic consumption are not expected to reach last year's level.

The 1974 deciduous fruit pack is estimated at 3.8 million cases (basis 24/2½), 6 percent below the record packs of 4 million cases in 1971 and 1973, but 86 percent above the 1966-70 average. The 1974 decrease in processing was less than had been expected earlier in the year because some fruit that could not be used fresh was diverted to processors.

France is a net importer of canned fruit, but it shares with Italy the advantages of being a member-country supplier to the important European Community market. Third countries, including the United States, are subject to import duties ranging from 21-24 percent, depending on commodity and container size, plus added charges under provisions of sugar-added levy-regulations.

Despite France's general uptrend in canned fruit production, the French industry is becoming more concentrated as a smaller number of plants produce a larger share of canned fruit output.

Several small companies disappeared in 1973, either by going out of business entirely or by being merged with more efficient firms. In general, the degree of concentration remained the same in 1973 for companies producing individual fruits in syrup, while it increased for companies canning mixed fruits in syrup. Of the 77 firms in existence in 1973, the five largest produced more than 56 percent of the total output of fruits in syrup; eighty percent of all canned fruits in syrup was packed by the first 10.

France's 1974 production of canned peaches in syrup is estimated at 640,000 cases, about the same as the average for the 1967-72 period, but 67,000 cases higher than 1973's output of 573,000 cases. The 1973 production of peaches in syrup was depressed because of a particularly bad harvest of freestones. The 1974 freestone output level is expected to be between 15 and 20 percent higher than that of the previous season.

France and Italy are the only peach canners in the EC, although Greece, an Associate Member, also processes this fruit.

Unlike peaches, output of pears in syrup may drop in 1974—from 583,000 cases in 1973 to 440,000 cases in the year just ended. The 1974 frosts reduced by 20 percent the supply of Williams pears—the main variety used by the processing industry—and the drop was mainly responsible for the production cut.

Apricots were hardest hit by the frosts and the 1974 in-syrup pack is estimated to be about 46 percent less than the previous year's—130,000 cases, compared with 240,000 cases.

Sweet cherry output was only slightly affected by the frosts, and the 1974 in-syrup cherry pack is estimated at about 640,000 cases, compared with 627,000 in 1973.

The reduced output of freestone peaches in 1973—an important component of canned mixed fruits in syrup—also affected the production of this product. But production of mixed fruits in syrup is expected to recover slightly in 1974, possibly rising as high as 1.5 million cases. In 1973, production of mixed fruits in syrup stood at 1.4 million cases.

During 1973, total exports of canned deciduous fruits in syrup were 371,000 cases, 14 percent higher than the previous year's 325,000 cases. Mixed fruits in syrup was the most important canned fruit exported in 1973. With 283,000 cases being shipped, this category accounted for 75 percent of total exports of canned in-syrup fruits, a level 25 percent greater than that of 1972.

Total exports of canned fruits in syrup in 1974 are expected to decrease to near the 1972 level, the result of the smaller fruit pack and higher prices. However, exports of mixed fruits to the European Community are expected to increase in the next few years.

In spite of the sizable French fruit pack in 1973, total imports of canned fruits in syrup increased slightly to 1.4 million cases. While French imports of apricots in syrup jumped in 1973, because of the entry into France of Moroccan and Greek apricots at competitive prices, imports of all other deciduous canned fruits in syrup fell off. Imports of canned apricots were expected to be smaller in 1974 because of larger French stocks at the beginning of the year.

While it is difficult to forecast short-term prospects for 1975 because of the present economic situation in France, it is probable that immediate overall consumption of canned fruits will drop as other food items compete more strongly for the consumer franc. Over the long run, however, consumption of in-syrup fruits will continue to grow, with mixed fruits taking the lead.

—Based on report from *Office of U.S. Agricultural Attaché, Paris*

## Nigeria Imports U.S. Foods

*Continued from page 6*

about 25 percent for most food products.

Advertising is a second essential element in introducing a new food product. The advertising function usually falls to the wholesaler, with principal media used including radio, television, newspapers, movies, and billboards. An initial promotional campaign often features free samples and vans with loudspeakers.

Further, Nigerians are extremely brand and color conscious and have a high degree of brand loyalty. The level of literacy is about 35 percent, so that dependence on picture associations is high. Even label colors are significant—changing the shade of a label on an established product can sharply reduce sales.

A number of obstacles remain to be overcome, however, if Nigeria is to develop its full potential as a market for U.S. foods. First, as a former British colony, Nigeria still has strong ties with the United Kingdom. Even now, many of the largest importers and exporters are either British or Indian, so that U.S. export firms must usually operate through these agents. British and other European brands have become established in this market and have an edge over new U.S. foods.

Second, importers of U.S. products face a variety of transportation problems, headed by shipping delays and high costs, which inflate food product prices. Freight rates to African ports from the United States are about 50 percent higher than from the United Kingdom for comparable cargoes. Transit time for shipments from the United States can range from a month to as much as 3 or 4 months. Since cargoes for Nigeria often do not fill an entire ship, the sailing time is extended as the ship docks in other ports to discharge cargo before reaching Nigeria.

Foodstuffs exported to Nigeria should be packaged in strong containers, since handling is likely to be extensive. Packages should be of a size that can be moved by hand and sealed with waterproof materials to guard against high humidity. Small package sizes are most desirable since consumers have limited storage space. Returnable packages are seldom returned unless a penalty is imposed since many of these packages are used by the natives for other purposes.

## BELGIAN SUGAR HAS BAD YEAR, BUT OUTLOOK GOOD

Bad weather has caused Belgium's 1974 sugar production to drop an estimated 10 percent, despite a record planting of sugarbeets. Exports, too, have declined. The outlook for 1975, however, is much brighter. Belgian officials are predicting another record planting and new production highs.

Lower sugar content has been named another reason for the production downswing for 1974. Over 105,000 hectares of Belgian cropland were under sugarbeets last year, but total production will hit an estimated 660,000 tons, compared with 713,000 tons in 1973.

The production surge predicted for 1975 should result from an expected 25 percent increase in acreage this year, to 130,000 hectares.

Several factors have contributed to the expected rise in sugarbeet area. The current tight world sugar market and rising prices have prompted the European Community to raise its sugar production quota at guaranteed prices. The EC is also anticipating higher prices for the 1975-76 campaign.

An additional factor is the decrease in plantings of winter grains, caused by adverse weather last fall. A considerably larger area will be available for the planting of spring crops, and a large part of that area will probably go into sugarbeets.

Belgium is expected to export 320,000 tons of sugar and sugar products this year, virtually all of it to fellow EC members, particularly the United Kingdom. This represents a 20 percent drop from last year's exports of over 400,000 tons.

Domestic sugar consumption jumped nearly 10 percent in 1974, after consumers stocked up last fall in anticipation of a price rise. But domestic consumption is expected to fall from the 1974 mark, near 380,000 tons, to a more realistic 360,000 tons this year.

The Belgian sugar industry is expected to benefit considerably from the present transitional period in the EC sugar market. As a result of the rise in the EC's production quotas for sugar and the subsequent increase in the acreage needed, the sugar industry stands to expand its sales potential significantly.

## CCC INTEREST RATES ARE LOWERED

Interest rates under the Commodity Credit Corporation (CCC) Export Credit Sales Program were reduced on March 31 from 10 percent to 8 percent for U.S. bank obligations and from 11 to 9 percent for foreign bank obligations. The CCC Export Credit Sales Program, used to maintain and expand commercial sales for U.S. agricultural commodities overseas, has paved the way for sales of over $184 million in the July-March period of the current fiscal year.

Under the program, credit for up to 3 years is made available to foreign buyers for the purchase of specified U.S. agricultural commodities. For the month of April, these include beef and dairy breeding cattle; breeding swine; cotton; dry edible beans; dried, frozen, and canned eggs; canned and frozen poultry; milled and brown rice; tobacco; and wheat.

While nearly all foreign nations are eligible for participation in the program, most shipments this year have been through foreign governments and import companies in the developing world. The March 31 action brings interest rates into line with recent action by U.S. banks, and furthers the development of commercial markets overseas for U.S. farm products.

## Soviet Farm Plan for 1975

*Continued from page 11*

lion tons in 1974. Planned availabilities of important feed ingredients are (in 1,000 tons): Fish meal, 590; meat-bone meal, 485; and feed yeasts, 699. Output of dehydrated alfalafa meal is scheduled to reach 4.2 million tons.

Large hog complexes are to be completed in 1975 for 1.4 million head, which will bring total additions in this 5-year plan to 3.6 million head versus 5.9 million initially planned. Capacity in "poultry factories"—large integrated poultry-producing operations—will be expanded by 7.7 million layers and 20.6 million broilers. For the 5-years of the plan, total expansion will reach 41.4 million layers, compared with the original plan of 48.1 million, and 105.4 million broilers, compared with 193.4 million.

# CROPS AND MARKETS

## GRAINS, FEEDS, PULSES, AND SEEDS

### Rotterdam Grain Prices and Levies

Current offer prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago:

| Item | April 1 | Change from previous week | A year ago |
|---|---|---|---|
| | *Dol. per bu.* | *Cents per bu.* | *Dol. per bu.* |
| Wheat: | | | |
| Canadian No. 1 CWRS-13.5 | 5.23 | +30 | 5.66 |
| USSR SKS-14 | (1) | (1) | (1) |
| Australian FAQ[2] | (1) | (1) | (1) |
| U.S. No. 2 Dark Northern Spring: | | | |
| 14 percent | 5.01 | +21 | 5.09 |
| 15 percent | 5.22 | +22 | (1) |
| U.S. No. 2 Hard Winter: | | | |
| 13.5 percent | 4.49 | —6 | 5.00 |
| No. 3 Hard Amber Durum | 6.91 | —3 | 7.13 |
| Argentine | (1) | (1) | (1) |
| U.S. No. 2 Soft Red Winter | (1) | (1) | (1) |
| Feedgrains: | | | |
| U.S. No. 3 Yellow corn | 3.43 | —10 | 3.60 |
| Argentine Plate corn | 4.01 | +7 | 3.90 |
| U.S. No. 2 sorghum | 3.28 | +10 | 3.46 |
| Argentine-Granifero sorghum | 3.25 | +11 | 3.40 |
| U.S. No. 3 Feed barley | 2.90 | —6 | 3.15 |
| Soybeans: | | | |
| U.S. No. 2 Yellow | 6.67 | +17 | 7.01 |
| EC import levies: | | | |
| Wheat | 1.28 | —3 | 0 |
| Corn | .90 | +7 | 0 |
| Sorghum | 1.04 | —1 | 0 |

[1] Not quoted. [2] Basis c.i.f. Tilbury, England.
NOTE: Price basis 30- to 60-day delivery.

### Southern Hemisphere Feedgrain Crops Below Last Year's Record

Reflecting conditions reported as of March 15, Southern Hemisphere feedgrains are nearing harvest, although the production outlook has become less favorable in recent weeks, outturn of corn and sorghum in Argentina, Brazil, South Africa, and Australia is expected to total about 40 million tons, down only 3 million from last year's record crop. Exports for the 1975-76 marketing seasons, which began April 1 (except South Africa, whose corn marketing year begins May 1) are projected at 13.2 million tons, compared with this year's estimated 14.7 million and represent an important supplement to U.S. supplies in the world market.

This year's production estimates have swung widely in response to rather erratic growing conditions. Early-season drought delayed plantings in all four countries and caused some farmers to more to shorter-season crops. Overall, however, sowings increased by 2.2 million acres and—combined with yearend rains—seemed to point for a time to record production. Most recently, dryness and disease problems in some areas have brought about lower estimates.

Corn production by major Southern Hemisphere suppliers (Argentina, Brazil, South Africa) is now put at 33.5 million tons, about 2.5 million off last year's record crop. Brazil shows the only increase, as large sowings, good mid-season rains, and wider use of hybrid seed is expected to boost production to 16 million tons, a million tons over last year's record.

To the south, prospects for Argentine corn have recently declined by a million tons due to lack of rain in small but important producing regions. The total crop is now put at 9 million tons.

In South Africa, which has witnessed large yearly fluctuations since production began in the semiarid regions of the Transvaal and the Orange Free State, the outlook is particularly uncertain. Yearend rains have overcome earlier drought, but also brought flooding, hail, and weed problems to some regions. Scattered reports of disease and the possibility of early frost or a late-season dry spell cannot be dismissed. Assuming ideal conditions for the rest of the growing season, an outturn of 8.5 million tons seems possible.

Corn exports by the three suppliers are now projected at 9.75 million tons, down only 720,000 from 1974-75 shipments. Exports from Brazil and South Africa are likely to increase—from Brazil because of increased production, from South Africa as stocks are drawn down. But Argentina, with a smaller crop and limited stocks, will be unable to exceed more than 80 percent of this year's volume.

Southern Hemisphere sorghum production also seems headed for a moderate decline. With production off an estimated 200,000 tons in both Argentina and Australia, and down 125,000 in South Africa, the total harvest is not expected to exceed 6.35 million tons.

Argentine official estimates show a 15 percent decline in planted area, though most trade sources think the decline is smaller. The decline was caused partly by cold weather during the sowing period, and a scarcity of early-maturing seed for late plantings. Though final outturn will depend on weather conditions during the March to mid-May period, production is now estimated at 5 million tons.

In Australia, somewhat larger planting appear to be unable to offset poor growing conditions. Yields are expected to decline nearly 20 percent compared with last year's crop. The main problem is extremely dry conditions in New South Wales, where a number of plantings have already been abandoned. Inadequate moisture has also dropped South African yields 20 percent.

Sorghum exports will likely decline in 1975-76 as low stocks make availability entirely dependent on current production. Exports from Argentina may slip below 3 million tons. Australian exports are expected to drop over one-third to about 525,000 tons. South Africa, the smallest supplier, will probably not make more than about 175,000 tons available for export.

### Iran to Import Corn From North Korea

Iran and North Korea have reportedly reached tentative accord on plans for a 5-year agreement on trade. Included are plans for Iran to import 1.0 million tons of corn over the 5-year period.

Heretofore, Iran has not imported any corn from North Korea, but the new plan probably reflects an attempt by Iran to diversify its sources of supply for the needed commodities. Iran is expected to import 250,000 tons of corn from all sources in 1974-75, but imports in previous years ranged below 100,000 tons.

### P.L. 480 Agreement With India Signed

A Public Law 480 Title I convertible local currency credit sales agreement has been signed with the Government of India providing for the sale of $128 million worth of wheat and wheat flour (about 800,000 metric tons, wheat equivalent). This is the first P.L. 480 agreement signed with India since 1971.

India has been faced with increased import requirements of grain as a result of poor weather conditions in its crop producing regions. India had purchased about 4.5 million tons of grain commercially from the United States this year.

Supply period for the Title I shipments is fiscal 1975. Sales will be made by private U.S. traders on a nondiscriminatory basis. Purchase authorizations will be announced as issued.

The Government of India announced that it would use the proceeds from the sale of wheat and wheat flour to help improve the agricultural situation in India.

## SUGAR AND TROPICAL PRODUCTS

### Lebanon Reduces Sugar Price Subsidization

In an effort to reduce Government expenditures on subsidies of sugar, Lebanon has eliminated subsidized prices for industrial users, and raised the price paid by consumers. As of April 1, Lebanese consumers holding Government-issued supply cards will pay 14 U.S. cents per pound of sugar.

Industrial users of sugar, and consumers who exceed their monthly allotment, now have to buy sugar at world market price equivalents, which in late March were nearly double the subsidized price.

## DAIRY AND POULTRY

### Arab Imports Of Poultry Meat Up

Poultry meat imports by oil-producing Arab states (including Lebanon) have more than doubled in 2 years, from about 47 million pounds in 1972 to an estimated 97 million pounds in 1974. These figures are based on trade data of only five countries: The United States, Netherlands, Denmark, West Germany, and France.

Allowing for shipments from Eastern Europe, known to be sizable, total imports by the Arab oil-producing area in 1974 may plausibly be estimated in the range of 125 million pounds. They may well have equaled or exceeded total 1974 chicken meat exports by the United States—117 million pounds.

Total poultry meat shipments by selected exporters to oil-producing Arab states, with U.S. share, were:

| Country | 1972 | 1973 | 1974[1] |
|---|---|---|---|
| | Mil. lb | Mil. lb | Mil. lb |
| United States | 0.6 | 1.3 | 5.1 |
| Netherlands | 8.6 | 8.4 | 16.7 |
| Denmark | 23.0 | 17.1 | 29.2 |
| W. Germany | 1.5 | 18.5 | 18.7 |
| France | 12.8 | 8.5 | [2]27.5 |
| Total | 46.5 | 53.8 | 97.2 |
| | Percent | Percent | Percent |
| U.S. share | 1 | 2 | 5 |

[1] Preliminary. [2] Includes estimate for 4th quarter.

## LIVESTOCK AND PRODUCTS

### Uruguay Meat Exports Up Despite New EC Quota

Uruguay's 1974 meat exports of 109,000 tons were up 4 percent from 1973's, despite import restrictions imposed by the EC, its second-largest customer. Brazil, the largest customer, took over 40 percent of Uruguay's meat exports, with lesser amounts to Spain, Greece, and other scattered destinations.

Within the total, exports of beef, lamb and mutton increased, while horsemeat exports declined.

The 1975 export potential is encouraging, in view of prospective increases in livestock slaughter. If sufficient market prospects develop, exports could reach a record.

### Other Foreign Agriculture Publications

- U.S. Raw Cotton Exports to Far East Lag During August-September (FC 2-75)
- Cotton Exports By Customs Districts (FC 3-75)
- U.S. Raw Cotton Exports Decline in First Half of Marketing Year (FC 4-75)
- Canned Fruit Prices in The Netherlands, West Germany, and The United Kingdom (FCAN 2-75)
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- U.S. Tobacco Imports Rise to New Record (FT 2-75)
- Mediterranean Citrus Production, Outlook for The 1974-75 Season (FCF 1-75)
- U.S. Trade in Livestock and Livestock Products in 1974 (FLM-MT-2-75)
- Southern Hemisphere Corn and Sorghum Crops Below Last Year's Record (FC 4-75)
- World Wheat, Oats, and Corn Crops Down in 1974—Rye and Barley Show Increases (FG 5-75)
- Larger World Cocoa Bean Crop in 1974-75 (FCB 1-75)
- U.S. 1974 Egg and Poultry Trade: Value Up, Quantity Down (FPE 2-75)

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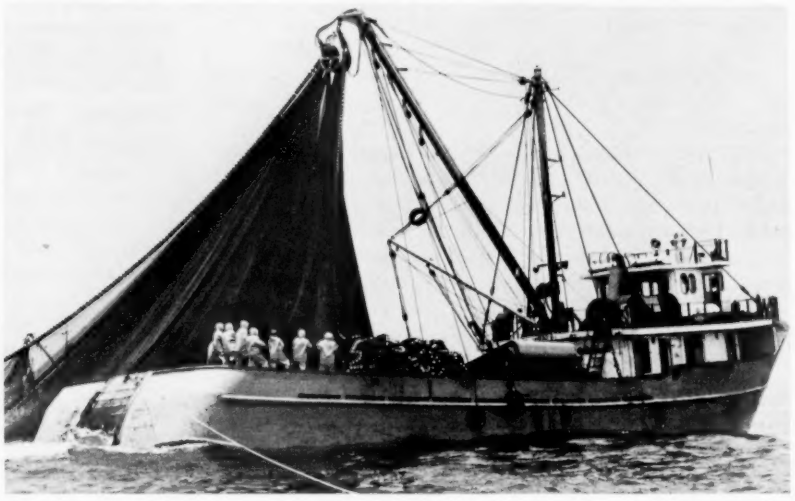
# Peru's Anchovy Fishing Industry Makes Good Recovery



*Peru's anchovy fishermen, such as these, resumed operations in Pacific waters March 10.*

Peru's anchovy fishing industry appears to be making a good recovery from the small harvests of 1974 and 1973, with catches during the week of March 10 (first week of the 1975 fishing season) averaging more than 50,000 metric tons daily.

Experimental fishing during January and February yielded 600,000 tons, and it seems probable that Peru may harvest about 6 million tons of fish meal and 220,000 tons of oil.

Barring some unforeseen problem, scientists expect the Peruvian anchovy population to be normalized by 1977. There is some disagreement, however, as to what the maximum sustainable yield should be under normal conditions. It probably cannot exceed 10 million tons, and very likely will be somewhat short of this level.

The 1974 anchovy catch reached about 3.6 million tons—more than twice that of 1973. Processed anchovies and some other species yielded 898,000 tons of fish meal and 211,000 tons of oil. The Peruvian industry consumed about 120,000 tons of meal and 80,000 tons of oil.

Exports of fish meal amounted to 629,000 tons and fish oil to 78,000 tons. Fish meal and oil exports thus brought in about $245 million in foreign exchange, nearly 80 percent more than in 1973.

The Peruvian anchovy industry has reduced and modernized its operations, since one of the main reasons for nationalization of the industry in May 1973 was its overexpansion. Since that time, the number of fish meal plants has been reduced from more than 100 to about 65.

The fleet of anchovy fishing boats, which numbered more than 1,400 in 1973, was reduced in 1974 to half this number. Further withdrawals have left about 620 operable boats. Social pressures make it difficult to reduce the labor force further. The industry has, however, made every effort to organize for efficient operation. Some proof of its success is seen in the ever-increasing recovery ratio of fish meal to total fish caught—now about 23 percent.

According to Peru Sea Institute scientists, all conditions are again favorable for plankton growth and anchovy reproduction. Experimental fishing early in 1975 showed that both adult anchovies and peladilla were to be found along most of Peru's coast.

Recent surveys to determine the total anchovy stock at sea showed some improvement from estimates a year ago. Recovery is now considered sufficient to allow further commercial fishing, although some experts still recommend caution.

Peruvian scientists also are studying reports of the possibility of another *nino* phenomenon (the warm current that drives anchovies away from the coast), but they do not believe one will occur this year. While changes have been noted—such as heavy rains on the Western Andean slopes—the Peruvian current still remains very cold and is functioning normally.

World protein meal demand has weakened, and current fish meal prices scarcely cover production costs.

—Based on report from
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